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Blogs go big business

When adapted for the task they have a host of different marketing applications

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People familiar with the term blog -- short for Web log -- are apt to associate it with Internet rants posted by techie teens and would-be raconteurs. But these on-line journals and forums for commentary that double as public discussion boards are assuming an entirely new identity.

Blogs are going big business. And according to advocates of the technology, it's about time.

"Whatever it is you do by marketing, you can do by virtue of a blog," devotee Jim Carroll says.

This has been his mantra for years. The Mississauga-based future-trends author and consultant asserts that blogs adapted for business use have a host of applications, ranging from customer relationship management to increasing consumer awareness of one's business on-line.

"They're a useful and valuable tool to build a relationship with your customers so that your brand name, what you do, who you are, is in their minds," Mr. Carroll says. "You can do wonderful things [with blogs] if you really apply your creative thinking."

Mr. Carroll addressed the potential of corporate blogs in a magazine article in 2002. But the concept was ahead of its time, and few businesses answered the call. Then in May this year Microsoft chairman Bill Gates lauded the benefits of blogging to more than 100 top international business executives at the company's annual CEO Summit. Finally, it seems, the corporate world is ready to take notice.

Why the sudden interest in this erstwhile consumer technology?

Besides being inexpensive and easy to master (experts say anyone with basic Internet skills can create a blog), recent research shows that blogs attract a valued consumer demographic.

A study released by Jupiter Research last year showed that 61 per cent of Internet users who read blogs at least once a month have an annual household income of \$60,000 (U.S.) or more. A recent survey conducted by U.S.-based Web ad network Blogads revealed 61 per cent of blog readers are over the age of 30, and more than 45 per cent spend five to 10 hours reading blogs each week.

Although Jupiter reports that slightly more than 6 per cent of Internet users read blogs to date, several corporate giants have already begun testing the medium's grassroots appeal. German interenterprise software company SAP launched its "Executive Blog" in the summer of 2003 and has since added three more to its website. Maintained by company board members, the blogs have the same effect as an informal tête-à-tête: They make customers privy to executive insights and allow them to voice their questions and concerns.

Search engine Google introduced its own official blog in May of this year.

But while international companies experiment with the technology, in Canada, the adoption of blogs as corporate marketing and PR devices remains rather slow.

"Most Canadian companies have yet to clue into the power and potential of this tool," Mr. Carroll says.

One Canadian company that has clued in is Toronto-based Select Plan Real Estate Inc., which incorporated a blog into its website late last year.

"Most real estate sites tend to be a lot of hype," says company broker Fraser Beach. "This is an attempt to have an informed dialogue with our visitors. It allows us to have a different level and style of contact with our clients and potential clients."

The advantages don't end there.

"One of the biggest benefits is that blogs are well-placed on search engines, particularly Google," Mr. Beach notes.

That's because blogs are frequently updated and tend to feature numerous links. Google, on which a prominent search result is invaluable to companies wishing to increase their exposure, is known to favour these qualities in a site. A recent Google search for "Toronto Real Estate" found the Select Plan blog within the top 10 listings.

When it comes to developing and hosting the blog, which is updated daily, Mr. Beach uses TypePad, one of the three most popular weblogging services (research firm comScore Media Metrix reports that TypePad, Google-owned Blogger and Blogrolling reach a combined 5.5 million consumers each month). Although a basic service is available, he opts for the TypePad Pro service that allows for added bandwidth and hosting capabilities.

The cost of maintaining the corporate blog? Less than \$300 a year.

Given the medium's perceptible advantages, it's likely Mr. Beach will be joined by other small business bloggers in the coming months. As analyst Graham Mudd with comScore Networks notes: "This is becoming an increasingly important space to watch."



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